

**Standardized Definitions and Terms for 2020 RI Energy Efficiency Plan**

**Commented [RJ1]:** Below are the definitions and terms list filed for the 2019 Annual Energy Efficiency Plan per the PUC's request. This list of definitions and terms will be reviewed and may be updated further for the 2020 Annual Efficiency Plan in the 3<sup>rd</sup> draft and filed as Attachment 10.

**Assessments**

An Assessment tests a measure, a bundle of measures, or a solution, that can be delivered as part of an existing program where the savings are not known but will be explored as part of the Assessment, [through internal evaluation or a vendor evaluation. The scope of evaluation for an Assessment depends on the specifics of the Assessment.](#) Assessments are not included in the calculation of the Shareholder Incentive.

**Customer Contribution/Customer Cost**

The financial cost of a Measure and/or Service that is not covered by the Customer Incentive.

**Customer Incentive**

Financial support (e.g., rebates, on-bill repayment) provided to Participants as an attempt to motivate the installation of measures and/or changes in behavior to achieve changes in energy usage. (See Rebate)

**Non-Participant**

~~A customer that does not directly participate in Program.~~

~~**On-Bill Repayment (OBR)**~~

~~A financial mechanism that allows customers to pay back the Customer Contribution/Customer Cost of a Measure and/or Service on their energy bill.~~

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~~A financial mechanism that allows customers to pay back the Customer Contribution/Customer Cost of a Measure and/or Service on their energy bill.~~

**Participant**

A customer that reduces or otherwise modifies their energy end use patterns due to involvement in a Program.<sup>1</sup>

**Pilots**

<sup>1</sup> Participation is measured differently in different programs, for example for several programs a participant may be a customer electric or gas account, in contrast the Residential Consumer Products program measures participation by the number of rebates processed.

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A small scale, targeted program that is limited in scope, time, and spending and is designed to test the feasibility of a future program or rate design. It is incumbent upon the proponent of a pilot to define these limits in a proposal for Public Utilities Commission (PUC) review. Ideally, a pilot can provide net benefits and achieve goals, but the primary design and value of a pilot is to test rather than to achieve. A Pilot is not included in the calculation of the Shareholder Incentive.

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**Portfolio**

A collection of Programs. The electric portfolio contains Programs that [primarily](#) focus on delivering electricity savings and the natural gas portfolio contains Programs that [primarily](#) focus on delivering natural gas savings. A portfolio is required to be cost-effective.

**Program**

A collection of defined services and/or measures that are carried out by National Grid and/or its vendors and subcontractors that:

- target a specific market segment, customer class, or defined end use;
- are designed to influence customer behavior to achieve changes in energy usage, equipment preferences, investment, and maintenance practices; and,
- are guided by a specific savings goal and have a benefit-cost ratio.
- Programs are typically made up of the following categories that contribute to the overall program savings goals and benefit-cost ratios.

- [Assessment](#)

- [\(See Assessment\)](#)

- **Demonstrations**

- A [Demonstration](#) tests a new technology or solution that is delivered as part of an existing program where a technical assessment has estimated the savings and determined that the measure is likely to be cost effective. [A technology tested through a Demonstration can become part of the offerings of a Program. A Demonstration is included in the calculation of the Shareholder Incentive.](#)

- **Initiative**

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An [Initiative](#) is a “go to” market strategy within a Program that promotes a subset of measures or services within that program and/or targets a certain segment of customers. Examples include the Heat Pump Initiative within the HVAC program and the EnergySmart Grocer Initiative within the Large Commercial and Industrial Retrofit Program.

- **Measure**

A piece of equipment or customer action that reduces or otherwise modifies energy end use patterns. This is the most granular level of categorization. [For example, an LED bulb would be considered a measure.](#)

- **Measure Group or End Use**

A group of measures with similar characteristics within a program. For example, the measure group LED in the Residential lighting program includes several types of LED bulbs and the Compressed Air measure group within the Large Commercial New Construction program contains all the compressed air measures within that program.

- **Services**

A range of activities to support customer awareness, education, and adoption of energy saving and energy modification opportunities including free technical assistance, training, analysis, and reports.

- **Sub-Program**

Within the Commercial and Industrial Sector, a Sub-Program is a further grouping of measures within a program. [An example is the Upstream Lighting Sub-Program within the Commercial and Industrial Sector.](#)

### **Rebate**

A financial incentive paid to a Participant to obtain a specific act, typically the installation of equipment. A rebate can also be paid to manufacturers and suppliers of measures to lower the price at the point of sale to the customer.

### **Sector**

A grouping of Participants by customer rate classes by which Programs are organized. There are three sectors: Residential, Income-Eligible, and Commercial and Industrial.

### **[Performance Incentive/Shareholder Incentive](#)**

[A financial incentive that the Company has an opportunity to earn based on performance in fulfilling the savings goals of the approved Annual Plan. Pursuant to R.I. Gen. Laws § 39-1-27.7\(e\) and § 39-1-27.7.1, the Company has an opportunity to earn a shareholder incentive that is dependent on its performance in implementing the goals of the approved Annual Plan.](#)

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~~Under the current incentive structure, the Company can earn a target based incentive rate equal to 5.0% of the eligible spending budget in a program year for achieving electric and gas energy savings goals.~~  
Spending on Pilots, Assessments, and payments to the RI Office of Energy Resources (OER) and the RI Energy Efficiency & Resource Management Council (EERMC) are excluded from the shareholder incentive.

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